



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4335

by Rep. Mary E. Flowers

SYNOPSIS AS INTRODUCED:

5 ILCS 375/6.11
55 ILCS 5/5-1069.3
65 ILCS 5/10-4-2.3
215 ILCS 5/356z.22 new
305 ILCS 5/5-16.8
410 ILCS 50/2.04
410 ILCS 50/5.3 new

from Ch. 111 1/2, par. 5402.04

Amends the State Employees Group Insurance Act of 1971, Counties Code, Illinois Municipal Code, Illinois Public Aid Code, and Illinois Insurance Code to provide that accident and health insurance policies and managed care plans shall cover all services ordered by a physician and provided in a hospital that are considered medically necessary. Amends the Medical Patient Rights Act. Includes limited health service organizations and voluntary health services plan in the definition of "insurance company". Requires every general hospital to provide patients who are placed into observation services by the general hospital with an oral and written notice within 24 hours after placement that the patient is not admitted to the hospital and is under observation status; specifies the information to be included in the notice. Effective immediately.

LRB098 17245 RPM 52338 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, ~~and 356z.17,~~ and 356z.22 of the Illinois
16 Insurance Code. The program of health benefits must comply with
17 Sections 155.22a, 155.37, 355b, and 356z.19 of the Illinois
18 Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if
20 any, is conditioned on the rules being adopted in accordance
21 with all provisions of the Illinois Administrative Procedure
22 Act and all rules and procedures of the Joint Committee on
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
3 eff. 7-13-12; 98-189, eff. 1-1-14.)

4 Section 10. The Counties Code is amended by changing
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,
8 including a home rule county, is a self-insurer for purposes of
9 providing health insurance coverage for its employees, the
10 coverage shall include coverage for the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, ~~and 356z.15,~~ and 356z.22 of the Illinois Insurance
16 Code. The coverage shall comply with Sections 155.22a, 355b,
17 and 356z.19 of the Illinois Insurance Code. The requirement
18 that health benefits be covered as provided in this Section is
19 an exclusive power and function of the State and is a denial
20 and limitation under Article VII, Section 6, subsection (h) of
21 the Illinois Constitution. A home rule county to which this
22 Section applies must comply with every provision of this
23 Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
7 eff. 7-13-12; 98-189, eff. 1-1-14.)

8 Section 15. The Illinois Municipal Code is amended by
9 changing Section 10-4-2.3 as follows:

10 (65 ILCS 5/10-4-2.3)

11 Sec. 10-4-2.3. Required health benefits. If a
12 municipality, including a home rule municipality, is a
13 self-insurer for purposes of providing health insurance
14 coverage for its employees, the coverage shall include coverage
15 for the post-mastectomy care benefits required to be covered by
16 a policy of accident and health insurance under Section 356t
17 and the coverage required under Sections 356g, 356g.5,
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
19 356z.11, 356z.12, 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of
20 the Illinois Insurance Code. The coverage shall comply with
21 Sections 155.22a, 355b, and 356z.19 of the Illinois Insurance
22 Code. The requirement that health benefits be covered as
23 provided in this is an exclusive power and function of the
24 State and is a denial and limitation under Article VII, Section

1 6, subsection (h) of the Illinois Constitution. A home rule
2 municipality to which this Section applies must comply with
3 every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if
5 any, is conditioned on the rules being adopted in accordance
6 with all provisions of the Illinois Administrative Procedure
7 Act and all rules and procedures of the Joint Committee on
8 Administrative Rules; any purported rule not so adopted, for
9 whatever reason, is unauthorized.

10 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
11 eff. 7-13-12; 98-189, eff. 1-1-14.)

12 Section 20. The Illinois Insurance Code is amended by
13 adding Section 356z.22 as follows:

14 (215 ILCS 5/356z.22 new)

15 Sec. 356z.22. Hospital patient assessments. A group or
16 individual policy of accident and health insurance or managed
17 care plan amended, delivered, issued, or renewed after the
18 effective date of this amendatory Act of the 98th General
19 Assembly that provides coverage for hospital care shall include
20 in that coverage all services ordered by a physician and
21 provided in the hospital that are considered medically
22 necessary for the evaluation, assessment, and diagnosis of the
23 illness or condition that resulted in the hospital stay of the
24 enrollee or recipient. The services are subject to reasonable

1 review and utilization standards required by the policy or plan
2 for all hospital services, as defined by the Department or its
3 successor agency.

4 Section 25. The Illinois Public Aid Code is amended by
5 changing Section 5-16.8 as follows:

6 (305 ILCS 5/5-16.8)

7 Sec. 5-16.8. Required health benefits. The medical
8 assistance program shall (i) provide the post-mastectomy care
9 benefits required to be covered by a policy of accident and
10 health insurance under Section 356t and the coverage required
11 under Sections 356g.5, 356u, 356w, 356x, ~~and~~ 356z.6, and
12 356z.22 of the Illinois Insurance Code and (ii) be subject to
13 the provisions of Sections 356z.19 and 364.01 of the Illinois
14 Insurance Code.

15 On and after July 1, 2012, the Department shall reduce any
16 rate of reimbursement for services or other payments or alter
17 any methodologies authorized by this Code to reduce any rate of
18 reimbursement for services or other payments in accordance with
19 Section 5-5e.

20 (Source: P.A. 97-282, eff. 8-9-11; 97-689, eff. 6-14-12.)

21 Section 30. The Medical Patient Rights Act is amended by
22 changing Section 2.04 and adding Section 5.3 as follows:

1 (410 ILCS 50/2.04) (from Ch. 111 1/2, par. 5402.04)

2 Sec. 2.04. "Insurance company" means (1) an insurance
3 company, fraternal benefit society, and any other insurer
4 subject to regulation under the Illinois Insurance Code; or (2)
5 a health maintenance organization, a limited health service
6 organization under the Limited Health Service Organization
7 Act, or a voluntary health services plan under the Voluntary
8 Health Services Plans Act.

9 (Source: P.A. 85-677; 85-679.)

10 (410 ILCS 50/5.3 new)

11 Sec. 5.3. Patient notice of observation services.

12 (a) Every general hospital shall provide patients who are
13 placed into observation services by the general hospital with
14 an oral and written notice within 24 hours after placement that
15 the patient is not admitted to the hospital and is under
16 observation status. The written notice shall be signed by the
17 patient or the patient's legal representative to acknowledge
18 receipt and shall include, but not be limited to, the following
19 information:

20 (1) a statement that observation status may affect the
21 patient's Medicare, Medicaid, and private insurance
22 coverage for the current hospital services, including
23 medications and other pharmaceutical supplies, as well as
24 coverage for any subsequent discharge to a skilled nursing
25 facility or home and community based care; and

1 (2) that the patient should contact his or her
2 insurance plan to better understand the implications of
3 being placed in observation status.

4 (b) The Director of Public Health shall develop and make
5 available guidance on the notice as described in this Section.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.